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FEDERAL COMMUNICATIONS COMMISSION JUL 28 1997 Washington, D.C. 20554 FEDERAL COMMUNICATIONS COMMISSION

OFFICE OF THE SECRETARY In the Matter of DOCKET FILE COPY OF SIGNAL Toll Free Service Access Codes

#### REPLY COMMENTS

Sprint Communications Company, L.P., hereby respectfully submits its reply to comments filed on July 17, 1997 in response to the Commission's request for further information to refresh the record regarding the treatment of toll free vanity numbers.

In its comments, Sprint recommended that vanity numbers, like all other toll free numbers in a new toll free service access code (SAC) be assigned on a first come, first served basis, and that lotteries and use of a Standard Industrial Code (SIC) mechanism be rejected as unworkable and unsound. As discussed briefly below, the comments filed in this proceeding confirm the soundness of Sprint's recommendations.

## 1. Right of First Refusal/Replication

Several parties continue to advocate allowing existing 800 service subscribers the right of first refusal for the same 7-digit in the 888 and subsequent toll free SACs.<sup>2</sup> In support of this recommendation, these parties describe instances in which an 800 service

<sup>&</sup>lt;sup>1</sup> Sprint did, however, express its cautious support for allowing existing 800 customers the right of first refusal for the equivalent 7-digit code in the 888 SAC only (p. 2).

<sup>&</sup>lt;sup>2</sup> See, e.g., American Car Rental Association, p. 4; Direct Marketing Association, p. 1; 800 Users Coalition, p. 11; RCN Telecom Services, p. 1.

subscriber received numerous calls from customers who were trying to reach the 888 analog, and vice versa. While Sprint is certainly sympathetic to the inconvenience and expense associated with such end user misdials, we believe that such misdials will become increasingly infrequent as the public becomes increasingly familiar with the use of multiple toll free SACs (see also, US West, p. 3). As Sprint pointed out (p. 2), given that over 4.3 million 888 numbers are now in use, the public is by now very familiar with the fact that 888 and 800 numbers can terminate to different companies. While the problem of customer misdials can reasonably be expected to diminish over time and with the introduction of additional toll free SACs, the problems of code exhaust and underutilization of a valuable public resource (both consequences of a policy of replication) are on-going and costly.<sup>3</sup> Once SAC utilization reaches a certain level, local exchange and interexchange carriers will be forced to open up additional SACs. Such an undertaking is extremely costly and resource-intensive.

ICB recommends, as a long term solution, that the Commission partition toll free service, allowing business customers and vanity number holders to use the 800 code, and assigning and reassigning personal and pager users to another toll free SAC (p. 7). The Commission has already rejected this proposal. As it correctly concluded, partitioning

<sup>&</sup>lt;sup>3</sup> Indeed, even ICB, which endorsed allowing existing 800 subscribers the right of first refusal, acknowledged that this approach is counterproductive and will "immediately decimate the supply [of numbers in a new SAC] by replicating a significant portion of the new numbers" (p. 6). Moreover, once a toll free subscriber has been granted control of a vanity number, it has little incentive to give up that control even if the subscriber holds the number for defensive purposes only (*i.e.*, to protect against customer misdials) and even if the volume of traffic over that number is very low.

"would be unreasonably discriminatory because 800 numbers would, at least initially, enjoy greater recognition than would numbers in new toll free SACs"; "would require multiple 8XX codes to be opened immediately, which is not possible because the necessary software is still being developed"; "would be inefficient and costly...when it is unclear that there would be sufficient service demand to consume most, if not all, of the numbers in a particular code" and because "some codes currently reserved for toll free service may be used for another purpose if the relative demands for INPAs change."

ICB also alleges (p. 7) that RespOrgs which are also toll free service providers somehow "exploit their RespOrg status in furtherance of their commercial interests." It is not clear what practices ICB is complaining of. Certainly, a RespOrg/carrier has a financial interest in securing toll free numbers for its subscribers; however, this is hardly a conflict of interest. If ICB has witnessed RespOrg abuse of the process for allocating toll free numbers, it should file a complaint against the RespOrg which allegedly acted improperly. However, in the complete absence of any information about any problem with the RespOrg process, there is little or no benefit to be gained -- and significant costs to be incurred -- by implementing the "solutions" proposed by ICB, *i.e.*, publishing a list of RespOrgs in telephone books or long distance bill stuffers.

<sup>&</sup>lt;sup>4</sup> See Second Report and Order in this proceeding, released April 11, 1997, para. 67.

### 2. Auctions Or Lotteries

There is widespread agreement that assigning toll free vanity numbers via auctions and lotteries would be contrary to the public interest.<sup>5</sup> These parties point out that auctions and lotteries "invite the very same brokering practices that the Commission has condemned...[and] imply that vanity and branded numbers can be purchased or sold" (DMA, p. 4; see also, Sprint, p. 4; 800 Users Coalition, p. 15; MCI, p. 5). They also point out the practical problems associated with auctions and lotteries (*e.g.*, deciding which numbers should be subject to auction or lottery and when such auction or lottery should take place). Unless the Commission can devise a lottery or auction system that overcomes these difficulties and comports with the public interest, it should not adopt either mechanism.

#### 3. SICs

Every commenting party agreed that use of standard industrial codes (SICs) to prevent competitors from subscribing to the same 7-digit number in different toll free SACs is unworkable and should not be adopted.<sup>6</sup> It is cumbersome, requires substantial resources to administer, and does not always prevent current (much less potential) competitors from obtaining the same 7-digit number in different toll free SACs. There is no merit to this approach, and the Commission should therefore decline to adopt it.

<sup>&</sup>lt;sup>5</sup> See, e.g., Sprint, p. 4; DMA, p. 4; 800 Users Coalition, p. 14; MCI, p. 3; US West, p. 5.

<sup>&</sup>lt;sup>6</sup> See, e.g., Sprint, p. 5; DMA, p. 7; 800 Users Coalition, p. 16; RCN, p. 5; MCI, p. 6; US West, p. 4.

# Respectfully submitted,

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July 28, 1997

## CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Reply Comments of Sprint Corporation was Hand Delivered or sent by United States first-class mail, postage prepaid, on this the 28th day of July, 1997 to the following parties:

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